

**DEPARTMENT OF TREASURY  
NON-INFORMATION TECHNOLOGY  
CAPITAL PROGRAMMING  
(CP) PROCESS  
PLANNING GUIDE**

**JUNE 2003**

## TABLE OF CONTENTS

|                                                          |    |
|----------------------------------------------------------|----|
| Executive Summary .....                                  | 3  |
| Section 1—Introduction .....                             | 4  |
| Section 2—Process Review .....                           | 6  |
| Section 3—Planning and Selecting Phase .....             | 7  |
| Section 4—Managing Phase .....                           | 9  |
| Section 5—Evaluating Phase .....                         | 12 |
| Appendix A—I-TIPS Data Entry/Investment phases .....     | 13 |
| Appendix B—Generic Treasury Budget/I-TIPS Timeline ..... | 15 |
| Appendix C—Exhibit 300 Assessment Tool .....             | 16 |
| Appendix D—CP Assessment Tool .....                      | 21 |
| Appendix E— References and Helpful Sources .....         | 24 |
| Appendix F— Exhibit 300.....                             | 25 |

## EXECUTIVE SUMMARY

### NON-INFORMATION TECHNOLOGY CAPITAL PROGRAMMING PROCESS GUIDE

#### Background

Treasury's Non-Information Technology Capital Programming (CP) process guide provides for a disciplined, integrated approach to manage capital assets. It is designed to ensure that all non-information technology capital investments align with the mission and support business needs while minimizing risks and maximizing returns throughout the investment's lifecycle. The CP guide is predicated on an interrelated planning, managing, and evaluating process, to ensure achieving each asset's performance and lifecycle goals. Execution of the process is intended to foster compliance with existing statutes and guidance, e.g. OMB guidance. This guide establishes the processes and procedures that will be used by the Department of the Treasury and the bureaus. Each bureau is required to establish or update its own processes and procedures to be consistent with this guide.

#### THE KEY COMPONENTS

Critical to an organization achieving its mission and objectives, is the necessary infrastructure that is provided by non-information technology assets. Treasury, in conjunction with the bureaus, is engaged in an effort to maintain and support a comprehensive non-information technology capital investment analysis and decision-making environment. This environment consists of three key components: executive decision-makers, supporting tools, and repeatable processes.

**Executive Decision-Makers**—Members of the Treasury Capital Investment Review Board (CIRB) or the equivalent are the primary executive decision-makers. At the bureau level, non-information technology capital investments are overseen by an Investment Review Board (or equivalent group). The Department of the Treasury will establish a cross-functional team(s) to support the Treasury's CIRB's decisions and oversee investments through their life cycle.

**Supporting Tools**—Treasury and the bureaus will use the Information Technology Investment Portfolio System (I-TIPS) as its investment management tool for non-information technology assets.

**Recurring Processes**—The CP process is Treasury's primary process for (1) deciding which assets to invest and include in its portfolio and (2) assessing the asset's contributions to the organization. This guide describes the CP process, as summarized below.

#### Treasury Non-Information Technology Capital Programming (CP) Process Guide

This guide identifies the processes and activities necessary to ensure that the department's non-information technology capital assets are planned, cost-effective, properly managed, and support the missions and business goals of the organization.

#### CP Phases

The CP is a process that incorporates three phases for the Treasury's non-information technology capital investments: Planning and Selecting, Managing, and Evaluating. Applicable to the Department and the bureaus, these phases are:

**Planning and Selecting Phase**—This is perhaps the most critical phase of the process. During this process existing assets are assessed to determine capacity. This phase will identify performance gaps and define requirements.

Defined requirements are used to create alternatives for the asset and in selecting the asset most appropriate for the organization's needs. During this phase, it will be determined, during a review of alternatives, if assets are to be acquired or rehabilitated to achieve program goals. In addition, investment analyses are conducted and the full business case is developed.

**Managing Phase**—This phase is geared towards analyzing assets, in operation and collecting information on the capital asset's performance including: its earned value, schedule, cost and project performance. This phase assists in determining how well the organization is managing its assets. This phase is used to develop operational and maintenance plans. Through this work, the organization ensures that the assets are implemented in a disciplined, well-managed, and consistent manner, through timely oversight, quality control, and executive review.

**Evaluating Phase**—This phase applies to assets that have been acquired and are being deployed. A review should be conducted to assure that the asset is performing effectively,[which is part of the continuation from the evaluation phase.] The results of the review are to be compared to expectations to assess investment performance. This is done to assess the asset's impact on mission performance, and identify utilization rate. It is also used to determine if the asset should continue in use, undergo modifications, improvements or be disposed.

## **This Guide**

Specifically, this guide will:

- Provide relevant definitions. (Section 1)
  - Define the following terms, as a means to describe the department's expectations for how bureaus are to classify their assets:
    - Project
    - Initiative
    - Major
    - Non-Major
- Establish a high level CP process for the Department as well as the bureaus. (Sections 2 through 5)
  - Describe the recurring process, including a general timeline of when these activities should take place and how they relate to the Treasury and OMB budget cycle; describe the purpose and activities relating to "baselining."
  - Define the criteria for assessing capital asset plans and business cases (Exhibit 300), and the non-information technology capital programming processes.
- Establish FASA V Reporting requirements. (Described in Section 5).
  - Explain the relationship between the earned value table in I-TIPS and FASA V requirements and how earned value data is used.
  - Require quarterly updates in I-TIPS and reporting to Treasury.

## **SECTION 1 - INTRODUCTION**

### **PURPOSE**

This guide describes the Treasury's CP Process. It outlines a framework for Treasury and its bureaus to manage its investment portfolio. This investment management process allows optimization of the benefits from the allocation of limited non-information technology capital resources, and comply with statutory laws and guidance.

### **LEGISLATIVE BACKGROUND AND ASSOCIATED GUIDANCE**

Several statutes require Federal agencies to revise their operational and management practices to achieve greater mission efficiency and effectiveness. These laws include:

- ◆ Federal Managers Financial Integrity Act of 1982
- ◆ The Chief Financial Officer (CFO) Act of 1990
- ◆ The Government Performance and Results Act (GPRA) of 1993
- ◆ The Federal Acquisition Streamlining Act (FASA), Part V, of 1994
- ◆ The Paperwork Reduction Act (PRA) of 1995
- ◆ The Clinger-Cohen Act (CCA) of 1996
- ◆ Federal Financial Management Improvement Act of 1996

Beyond the legislative background, there is guidance from the Office of Management and Budget (OMB), the General Accounting Office (GAO), General Services Administration (GSA) and others.

## SCOPE

All Treasury bureaus are to comply with this CP guide.

## ROLES AND RESPONSIBILITIES

The following decision-making bodies and personnel are key to an effective CP process:

**Key Decision-Makers**—Treasury and the bureaus have a governance process with designated approval groups responsible for ensuring that existing and proposed investments meet Treasury's strategic, business, and production objectives.

**Capital Investment Review Board (CIRB)**—The purpose of the Board or its equivalent is to implement an investment review process that support budgeting for Treasury's non-information technology capital investments, and to ensure the regular monitoring and proper management of these investments, once funded. A major result of this investment review process will be a regularly updated investment portfolio, based on an analysis of alternatives, which supports the Treasury strategic plan.

**Bureau Investment Review Board (IRB)**—The Bureau IRB or equivalent exists to oversee and prioritize bureau-specific non-information technology investments. The CIRB and Treasury offices use the Bureau IRB analysis and decision-making for their own discussions, recommendations and decisions.

**Chief Procurement Officer**—The Chief Procurement Officer (CPO) or equivalent Procurement Executive must review the acquisition strategy of each major investment. The CPO is also responsible for reporting compliance with FASA V to OMB.

**Chief Financial Officer**—The Chief Financial Officer (CFO) must review the cost goal of each major investment. The CFO is also responsible for reporting financial management information to OMB as part of the President's Budget, as well as complying with legislative and OMB-defined responsibilities as they relate to non-IT capital investments.

**Asset Management Officer (Organization or equivalent)** —The Asset Management Organization is responsible for working with the other offices and the IRB to manage investments and comply with legislative and OMB-defined responsibilities as they relate to non-information technology capital investments.

**Budget Officer**—The Budget Officer has responsibility for developing the President's Budget submission. As the non-IT Capital Asset Plans and Business Cases (Exhibit 300s) are considered parts of the President's Budget, these exhibits need to be coordinated with the Budget Director and their staff.

**Strategic Planner**—The Strategic Planner is responsible for the organization's strategic plans, annual performance plans and reports. Treasury investments, particularly major investments must be

associated with one or more of the organizational strategic goals and should be included in the organization's annual performance plan, so coordination is critical. Further, major investments must have defined performance goals and metrics that relate to business improvements. The development of performance goals and metrics should be coordinated with the strategic planning office.

**Decision Support Team (DST)**—Responsible for assessing how well potential major investments meet a predetermined set of non-information technology capital programming decision criteria and providing recommendations to the IRB. The DST provides the necessary analysis for IRB discussion and decisions. This group is typically composed of representatives from the Asset Management organization, CFO, and business organization. Areas of expertise should include real or personal property, budget, among other areas.

**Other Committees and Councils**—Bureaus may, at their discretion, charter other groups to support the CP process. These may include groups responsible for reviewing and approving all major acquisition or rehabilitation requests as well as other review boards and committees.

## DEFINITION OF KEY TERMS

**PROJECT**—An activity wherein an asset is acquired and implemented. A project has a defined start and end date.

**INVESTMENT**—An asset for which budgetary resources (i.e., appropriations, working capital funds, etc.) are requested.

**INITIATIVE**—The business case “package” or OMB Exhibit 300 included as part of a budget submission.

### “MAJOR”

A “**Major**” must meet at least one of the following criteria:

- ◆ Total life cycle costs greater than \$10 million
- ◆ Land, structures and equipment that have an estimated useful life of two years or more. Examples of assets, include but are not limited to: office buildings, furniture, motor vehicles, airplanes, dormitories. These assets require an investment of \$1,000,000 or more each year
- ◆ The project or initiative directly supports the President's Management Agenda items
- ◆ Significant cross-agency impact
- ◆ Significant Congressional interest
- ◆ Mandated by legislation or executive order, or identified by the Secretary as mission critical
- ◆ Is a project relevant to a Critical Infrastructure Program (CIP) function or asset
- ◆ Treasury strategic or mandated asset

These investments are considered to be major and will be reported to OMB on the 300 report.

### “NON-MAJOR”

A “**Non-Major**” is that which is not considered “major”.

## SECTION 2 – PROCESS OVERVIEW

The CP is a dynamic process in which investments are continually monitored throughout the lifecycle. Sustained investments and those that are terminated or delayed are evaluated to assess the impact on

future proposals and to benefit from any lessons learned. The CP contains three primary phases (Planning and Selecting, Managing and Evaluating).

Bureaus will be conducting all phases, more or less simultaneously and on a recurring basis. Each phase is overseen by an investment review board. This ensures that each investment receives the appropriate level of managerial review and that coordination and accountability exist.

**Planning and Selecting Phase.** Provides a process for defining requirements and assessing a proposed project's support of Bureau and Treasury strategic and mission needs. Projects are selected that best support the organization's mission.

**Managing Phase.** Ensure investments are performed in disciplined, well-managed, and consistent process.

**Evaluating Phase.** Ensure that a project is being assessed for its impact on mission performance and determination of its utilization rate.

*To help bureaus develop or refine their non-IT capital planning processes and procedures, Treasury has developed a short assessment tool. This is found in Appendix D.*

## SECTION 3 - PLANNING AND SELECTING PHASE

### PURPOSE

The Planning and Selecting phase is used to assess a proposed investment's support of the organization's strategic and mission needs and to provide initial information to decision-makers. During this phase the business/mission needs are identified and relationships to the organization's strategic planning efforts are established. During this phase the alternative investments are assessed and the investment that is most appropriate and best suited to meet the organization's needs is selected.

### PROCESS

During the Planning and Selecting phase, a determination is made if there is a gap in the current performance and expected or planning performance of the capital asset. If there is a gap or if a new mission need has been established, a mission analysis and corresponding development of the Mission Needs Statement are closely linked to the strategic planning process of the organization and sponsor. Following mission analysis, requirements are defined to further develop the proposed solution. Alternatives are identified that could serve as suitable solutions. Evaluation criteria are defined, and individual projects are evaluated in terms of ensuring that functional requirements can be met; that there is suitability with the existing portfolio, and that performance can be measured by the factors of cost, schedule, and project. During this phase, a completed Capital Asset Plan and Business Case (OMB Exhibit 300) is generally created in I-TIPS. The process is concluded when a project selection is made.

### THE CYCLE

The Planning and Selecting Phase focuses on new project decisions.

New investments require appropriate justifications. Major new projects will use the OMB Exhibit 300 format in I-TIPS. The effort to complete these requirements should include the appropriate bureau staff and management officials. Normally, the effort to develop or update the project justification documents occurs in late winter or early spring. For instance, efforts to develop new Exhibit 300s or update them could start as early as February and run through the Summer. The effort culminates in a series of internal reviews that conclude around June of each year in time for the Treasury budget submission. However, prior to the submission of the non-IT Portfolio to Treasury, the following must be completed by the bureau:

### ➤ **CPO REVIEW AND APPROVAL**

The CPO reviews the project's cost, schedule and performance goals as well as the acquisition strategy. The CPO provides any comments and/or questions to the business sponsor and CIO. The sponsoring organization and Asset Management Organization will work with the CPO to address the issues and furnish details as requested, and sends an updated package to the CPO. The CPO forwards their assessment to the IRB.

### ➤ **CFO REVIEW AND APPROVAL**

The CFO reviews the project based on the established criteria. The CFO provides any comments and/or questions to the business sponsor and Asset Management Organization. The sponsoring organization and Asset Management Organization will work with the CFO to address the issues and furnish details as requested, and sends an updated package to the CFO. The CFO forwards their assessment to the IRB.

### ➤ **DST REVIEW – SCORING CRITERIA**

The DST reviews the project documentation for compliance with the organization's strategic, legislative, and budgetary goals as well as compliance with Circular A-11. Risk analysis and risk mitigation strategies should be finalized by this point and assessed by the DST. The DST uses standard criteria to objectively compare investments.

### ➤ **IRB REVIEW AND APPROVAL**

The IRB reviews recommendations, analysis, ranking and documentation for the proposed portfolio. It may ask for additional information or do its ranking of investments. The IRB will make the portfolio decision. Decisions are included in the budget submission to Treasury and OMB. This step is tied to the Managing Phase activities, discussed in the Section 5.

## **SELECTION CRITERIA**

Treasury has developed a template to assess and rank projects. Low scoring initiatives warrant immediate attention and corrections, and often should not be funded. The template is based on the current OMB Exhibit 300, and may be found in Appendix C. A current OMB Exhibit 300 is found in Appendix F. (Highlighted sections on the Exhibit 300 indicate changes from last years form)

Bureaus may also develop their own selection criteria, which can be included in I-TIPS.

## **DOCUMENTATION, USE OF I-TIPS**

I-TIPS will be updated to reflect IRB, CIRB, and OMB decisions. Key areas that need to be updated include cost, milestone and performance data.

I-TIPS will also be updated at least quarterly to reflect actuals.

*Appendix A contains additional detail on how I-TIPS is used through the Planning and Selecting, Managing, and Evaluating stages. Appendix B highlights what time of the year certain activities are performed in Treasury.*

## **BASELINING DECISIONS**

Initiatives are expected annually to report project progress against a baseline. The baseline includes cost, schedule and performance goals.

The President's Budget establishes the new or revised baseline for each initiative. If the initiative was previously reported, OMB will consider changes to the existing baseline. Decisions on proposed



changes will be communicated with the President's Budget. These changes will be reflected in the Capital Asset Plans and Business Case (Exhibit 300) and other documents.

This baseline reflects what OMB tracks during later fiscal years.

Additional information on how to baseline initiatives in I-TIPS may be found in the I-TIPS User Guide.

## SECTION 4 - MANAGING PHASE

### PURPOSE

The objective of the Managing Phase is to ensure, through timely oversight, quality control, and executive review, that projects are acquired as well as assets are managed in a disciplined, well-managed, and consistent manner. The Managing Phase is also characterized by decisions to continue, modify, or terminate projects or dispose of implemented assets. Further this phase is identified with outlining the operational and maintenance plans needed.

- Assets acquired are controlled for earned value, schedule, cost, and project performance. Through this analysis, the organization ensures that the projects are developed in a disciplined, well-managed, and consistent manner, through timely oversight, quality control, and executive review.
- On-going assets are primarily managed for cost and performance goals and measures. During this phase the IRB assesses the assets to ascertain their continued effectiveness in supporting mission requirements, evaluate the cost of continued maintenance support, and considers replacement or disposal options.
- On-going assets require operating and maintenance plans and schedules to ensure proper performance and utilization. Such efforts must be undertaken to meet or extend the expected life of the asset.

Although new projects are selected annually, the Managing Phase is an ongoing activity. It requires the continuous monitoring of projects through the acquisition lifecycle. The organization reviews occur before the annual budget preparation process. Additionally, periodic summary reviews are completed based on the review schedule completed during the Planning and Selecting Phase.

Once the investment enters the Managing Phase, the DST will monitor the investment throughout acquisition and report investment status to the investment's sponsors and oversight groups.

### PROCESS

The ability to adequately monitor projects and on-going assets relies heavily on the outputs from effective investment execution, management activities and reporting systems. The Asset Management Organization, in coordination with the CFO, develops a master milestone review calendar for evaluation and approval by the IRB. The CFO maintains a managing review schedule for all projects and assets in the organization's investment portfolio and monitors investments quarterly. The IRB conducts in-depth reviews of projects or assets at their discretion or if the cost, schedule, or performance varies more than 10 percent from expectations.

### *FASA V and Earned Value*

The Federal Acquisition Streamlining Act, Part V (FASA V) requires agencies to annually report to OMB and Congress on the state of their investment portfolio, specifically: on average, 90% of the investments are on schedule, on budget and meeting performance goals. If specific investments are not meeting these requirements, the agency head, by law, must institute corrective actions or terminate the project or asset.

I-TIPS has been developed to enable bureaus to collect, maintain and report up-to-date cost and schedule information and calculate earned value.

I-TIPS provides the ability to track cost and schedule information. The earned value table created in I-TIPS includes a work breakdown structure, as well as planned, actual, and target cost and schedule information. From the information collected within this table, earned value and several other project management variables, such as cost and schedule variances, are automatically calculated by the system. This earned value information will also be reported in the Capital Asset Plan and Business Case (Exhibit 300).

The bureau IRB will use this information as part of the managing activities. If done right, the bureau has several opportunities during the fiscal year to identify problems and order corrections or cancel the project.

## **REPORTING FASA V REQUIREMENTS TO THE DEPARTMENT**

Bureaus will use I-TIPS as part of their non-IT capital planning and investment control activities for all investments reported to Treasury and OMB through the annual budget submission.

Much of the data resides, and should be maintained, in I-TIPS. This data is found in the *User Documentation folder* under Control Cost and Schedule Information and in the *Best Practices* folder under Performance Measures.

Bureaus will provide the Department access to the quarterly results within one month after the conclusion of each quarter. The Asset Management office will summarize quarterly results for use by the Assistant Secretary for Management, Capital Investment Review Board, and other Treasury offices.

Fourth quarter results will be used by Treasury's Office of Procurement to respond to OMB and Congress on FASA V.

## ***Assessing Developing Projects***

Through the Managing Phase, the organization determines it still has a valid business case to continue the project acquisition. If the case continues to be valid, the organization will assess the project's progress against planned cost, schedule, performance and technical baselines. The primary purpose of this assessment is to ensure the project is on schedule and to help identify issues or deficiencies that require corrective action. In some instances, where the business case may no longer exist or be as strong, or if significant changes to the cost, schedule, and technical baselines are required, it may also be necessary to re-assess the project.

The key questions that the organization should regularly ask are:

- Is there still a need for the project?
- Does the project meet and will it continue to meet its planned cost, schedule baselines?

The organization should apply applicable screening criteria to determine whether the project has met expectations, and identify any deficiencies and corrective actions needed.

## ***Annual Investment Review (Developing Projects and On-Going Assets)***

Each year the investment will undergo a comprehensive review during the annual investment review. The IRB will use the results of these more detailed reviews during preparation of the Bureau's

investment portfolio. The CFO should be an active participant in this review process. In preparation for the annual investment review, major investments in the Managing Phase should prepare a Capital Asset Plan and Business Case (Exhibit 300) and any other information the IRB determines to be useful. Some critical information that needs to be considered annually include the following:

- Actual cost, schedule and performance vs. baseline
- Validated/updated Cost Benefit Analysis
- Risks
- Security
- Accessibility for persons with disabilities (Section 508)
- Presidential and Secretarial priorities.

## **ANNUAL PORTFOLIO DECISIONS**

To support annual portfolio management decision efforts, the organization should establish an acceptable ratio of high, medium, and low risk investments to achieve organizational objectives and future needs. The balance between the various risks of the Operational, Technical, Financial, and Organizational components are part of portfolio selection. Additionally, the IRB should take a strategic view. This view should:

- Use a broad understanding of the environment and the Bureau's need in identifying which investments produce the maximum results.
- Determine which investments are of particular interest to the Bureau (through its strategic goals and policies), Administration, and Congress.
- Consider the results of not selecting the investment.
- Evaluate mandatory investments in terms of the overall pool and whether the investment must be made now or in the future.

## **TREASURY/OMB TIMELINE**

Exhibit 300s will be due to Treasury in June. After the Exhibit 300s are received, Treasury will pull together a cross-functional team (a DST) to assess them. Treasury will use a defined scoring approach to rate and rank all major investments. Results will be provided to the Assistant Secretary for Management. The Office of Asset Management will also provide each bureau with the scoring results and identify any remaining areas in need of improvement prior to the OMB submission.

Between July and August, bureaus will have the opportunity to update their Exhibit 300s in preparation for the OMB submission.

Approximately mid-August, the Treasury will require that these exhibits be re-submitted. The same types of bureau activities that occurred during spring also occur here. The CPO and CFO are involved, as may be a DST.

Around the beginning of September, Treasury submits the budget to OMB. This includes the Exhibits 300. OMB conducts internal assessments and scoring. The result is the OMB Passback, which we receive in mid-to late-November. Through this Passback, OMB provides Treasury with scoring results and funding decisions. After Passback, Treasury has one final opportunity to update and improve the Exhibits.

In January, OMB makes their final decisions on the President's Budget. These final decisions establish the approved baselines for our non-IT capital investments.

## **SECTION 5—EVALUATING PHASE**

### **PURPOSE**

The purpose of the Evaluating Phase is to compare actual to expected results after a project acquisition is completed. This is done to assess the project's impact on mission performance, identify any investment changes or modifications that may be needed, and revise the investment management process based on lessons learned. The Evaluating Phase is intended to 'close the loop' on the investment management process by comparing actuals against estimates in order to assess the performance and identify areas where decision-making can be improved. The phase will address the execution of the operation and maintenance plans; i.e., whether the asset's useful life has been shortened substantially. Also to be considered is the execution of the disposal plan as well.

The Evaluate Phase focuses on project outcomes:

- ◆ Determining whether the project met its performance, cost, and schedule objectives. If it didn't, why?
- ◆ Determining the extent to which the capital programming process improved or hampered the project outcome.

The outcomes are measured by collecting performance data, comparing actual to projected performance and conducting a review to determine the project's efficiency and effectiveness in meeting or not meeting performance and financial objectives. The organization conducts the review and results are reported to the IRB to provide a better understanding of initiative performance and assist the sponsor and the Asset Management organization in directing any necessary adjustments.

### **PROCESS**

In the Evaluating Phase, the processes associated with planning should be reviewed to determine whether the benefits to be derived from the asset were accurately predicted. The review should also address the ability of the asset to meet goals associated with the organization's and Treasury's strategic mission. The costs associated with day-to-day- operations and maintenance are to be assessed, and for determining future acquisition strategies. During the review of the capital programming process, evaluations should be undertaken of the decisions made, to identify lessons learned in order to avoid repeating past mishaps.

## APPENDIX A - I-TIPS DATA ENTRY/INVESTMENT PHASES.

### PLANNING AND SELECT PHASE

- ☐ Create the new investment.
- ☐ Create a *Contacts* list for this investment.
- ☐ Add the investment to your agency's *Investment Pool* and to the agency's *Investment Portfolio*.
- ☐ Designate the investment as *Major*, or *Non-Major*.
- ☐ Ensure that points of contact such as the Functional Manager and Project Sponsor are kept updated within the *General Information* folder.
- ☐ Add supporting information to the *Resource Library* for the investment, such as preliminary budget estimates and spreadsheets and the Investment Review submission package.
- ☐ Update and Complete the *Lifecycle Cost and Lifecycle Budget Information* located in the *Financial Information* folder as required.
- ☐ Add any new or revised documentation that supports the initiative to the *Resource Library*.
- ☐ Complete the *Performance Measures* information.
- ☐ Complete the *Planned Cost and Schedule Information*.
- ☐ Complete the Exhibit 300 (Only Majors will be reported to OMB)
- ☐ Review and complete the *Select Screening Criteria* checklist found in the *Selection Screening Information* of the Selection Information Section.
- ☐ Complete the *Select Scoring Scorecard Information* located in the *Selection Scoring Information* section of the Investment Manager.
- ☐ Grant *Permissions* in the bureau as needed to enable editing, viewing, and scoring.
- ☐ Grant *Permissions* to Treasury for the OMB phase of the budget cycle.

### MANAGING PHASE

- ☐ Update and maintain the *Lifecycle Cost and Lifecycle Budget Information* located in the Financial Information folder as required
- ☐ Add any new or revised documentation that supports the investment to the *Resource Library*. This supporting material may be attached to the Exhibit 300 submission to OMB.
- ☐ Update and maintain the *Performance Measures* information.
- ☐ Complete the *Control Screening Criteria* checklist found in the *Control Screening Information* section.
- ☐ Complete the *Control Scoring Scorecard Information* located in the *Control Scoring Information* of the Investment Manager.
- ☐ Review investment history and background information to support assignment of individual scores located in the General Information folder and in the investment's *Resource Library*.
- ☐ Ensure all folders from the Planning and *Selecting Phase* are completed and the *Selection Status* folder indicates the investment is approved and finalized.
- ☐ Complete the *Control Screening* and *Control Scoring* data screens in the *Control Information* folder.
- ☐ Complete and maintain the *Control Cost and Schedule Information* folder including milestones, associated costs, and variances.
- ☐ Grant *Permissions* as needed to enable editing, viewing, and scoring.

### EVALUATING PHASE

- ☐ Finalize the project development-specific *Performance Measures* information.

- ❑ Finalize the *Control Cost and Schedule Information*.
- ❑ Finalize all *Lifecycle Cost* and *Lifecycle Budget Information* located in the Financial Information folder as required.
- ❑ Complete all appropriate *Evaluation Information* pages.
- ❑ Add any new or revised documentation that supports the project to the *Resource Library*, such as the Investment Review submission package. Grant *Permissions* as needed to enable editing, viewing, and scoring.

## APPENDIX B – GENERIC TREASURY BUDGET/I-TIPS TIMELINE

|                                                                                               |                  |
|-----------------------------------------------------------------------------------------------|------------------|
| Prepare budget within bureau                                                                  | April/May        |
| Portfolio reviews and decisions using updated I-TIPS data                                     | April-June       |
| Send to Treasury                                                                              | June             |
| Treasury review budget                                                                        | June-August      |
| Update I-TIPS to reflect 3 <sup>rd</sup> quarter results and actuals for on-going initiatives | July             |
| Update existing I-TIPS initiatives/Develop Exhibit 300s for new initiatives                   | June-August      |
| Treasury budget office passback                                                               | August           |
| Initial I-TIPS submittal to Treasury                                                          | June             |
| Exhibit 300 Passback from Asset Management office to bureaus                                  | July             |
| Exhibit 300s updated                                                                          | August           |
| All Exhibit 300s are eFiled,                                                                  | September        |
| Treasury submits budget to OMB                                                                | September        |
| Update I-TIPS to reflect 4 <sup>th</sup> quarter results and actuals for on-going initiatives | October          |
| OMB passback                                                                                  | Late November    |
| OMB final allowance                                                                           | Mid December     |
| I-TIPS updated                                                                                | November-January |
| Update I-TIPS to reflect 1 <sup>st</sup> quarter results and actuals for on-going initiatives | January          |
| Budget Decisions are entered into “greens”                                                    | January          |
| Final Exh 300s updated completed, eFiled, and submitted to OMB                                | January          |
| Budget sent to Congress                                                                       | Early February   |
| All initiatives in President’s Budget updated to reflect final decisions and baselined        | February         |
| Congressional briefs prepared                                                                 | February/April   |
| Update I-TIPS to reflect 2 <sup>nd</sup> quarter results and actuals for on-going initiatives | April            |
| I-TIPS calendar rolled to next FY                                                             | April            |
| Congressional briefings/budget passed                                                         | April/October    |

## APPENDIX C – EXHIBIT 300 ASSESSMENT TOOL

| Bureau                        |                                        | Project ID                                                                                                                                                                                                                                                                                                                                                                                                                            | Project Name                                                                                                            | Date Reviewed                                                                                                           |                                                                                                                         |                                                                                                                             |
|-------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                               |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                         |                                                                                                                         |                                                                                                                         |                                                                                                                             |
| Completeness Scoring Criteria |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                         |                                                                                                                         |                                                                                                                         |                                                                                                                             |
| Score                         | Factor                                 | 4 points                                                                                                                                                                                                                                                                                                                                                                                                                              | 3 points                                                                                                                | 2 points                                                                                                                | 1 point                                                                                                                 | 0 points                                                                                                                    |
|                               | I.A – Project Description              | Description addresses: (1) project description and CP status; (2) assumptions; (3) supporting information; (4) IRB review (p. 1); (5) CFO review (p. 1); (6) PE review (p. 1); and (7) a complete summary of spending.                                                                                                                                                                                                                | The project description addresses 5-6 of 7 criteria.                                                                    | The project description addresses 3-4 of 7 criteria.                                                                    | The project description addresses 1-2 of 7 criteria.                                                                    | The project description addresses none of 7 criteria.                                                                       |
|                               | I.B - Justification                    | The investment: (1) supports mission and strategic goals and objectives; (2) supports strategic goals of the PMA; (3) considered alternatives in public and private sector; (4) explains why these alternatives were not selected; (5) identifies customers; (6) identifies stakeholders; (7) is a multi-agency initiative (if applicable), and identifies organizations affected; and (8) will reduce costs or improve efficiencies. | The investment meets 5-6 of 8 justification criteria.                                                                   | The investment meets 3-4 of 8 justification criteria.                                                                   | The investment meets 1-2 of 8 justification criteria.                                                                   | The investment meets none of 8 justification criteria.                                                                      |
|                               | I.C – Performance Goals and Measures * | The performance information provided includes: (1) strategic goal(s); (2) existing baseline; (3) planned and (4) actual performance improvement [new projects: N/A]; (5) planned and (6) actual performance metric [new projects: N/A]; and (7) Treasury's/bureau's performance plan inclusion (p. 1).                                                                                                                                | New proj.: The inv. meets 3 of 4 perf. criteria.<br>On-going proj.: The investment meets 5-6 of 7 performance criteria. | New proj.: The inv. meets 2 of 4 perf. criteria.<br>On-going proj.: The investment meets 3-4 of 7 performance criteria. | New proj.: The inv. meets 1 of 4 perf. criteria.<br>On-going proj.: The investment meets 1-2 of 7 performance criteria. | New proj.: The inv. meets none of 4 perf. criteria.<br>On-going proj.: The investment meets none of 7 performance criteria. |
|                               | I.D – Program Management               | A (1) program manager and (2) contracting officer are assigned to the project, an (3) integrated project team has been formed and skill set listed, and a (3) sponsor/owner has been identified.                                                                                                                                                                                                                                      | The project meets 3 of the 4 program management criteria.                                                               | The project meets 2 of the 4 program management criteria.                                                               | The project meets 1 of the 4 program management criteria.                                                               | The project meets none of 4 program management criteria.                                                                    |
|                               | I.E – Alternatives Analysis *          | The alternatives analysis addresses: (1) description of three alternatives and results of feasibility/performance/ benefits; (2) results of life-cycle cost analysis, including assumptions; (3) chosen alternative and ROI; (4) quantitative benefits (if any); (5) financial summary, net                                                                                                                                           | The alternatives analysis addresses 4 of 5 criteria.                                                                    | The alternatives analysis addresses 3 of 5 criteria.                                                                    | The alternatives analysis addresses 2 of 5 criteria.                                                                    | The alternatives analysis addresses 0-1 of 5 criteria.                                                                      |



|  |                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                |                                                                                                                                                                |                                                                                                                                                                |                                                                                                                                                                    |
|--|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |                                              | present value by year and payback period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                |                                                                                                                                                                |                                                                                                                                                                |                                                                                                                                                                    |
|  | <b>I.F - Risk Inventory and Assessment *</b> | The risk assessment (1) identifies a minimum of 8 risk categories, and addresses (2) date identified, (3) area of risk, (4) description, (5) probability, (6) strategy for mitigation, and (7) current status.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | The risk inventory and assessment addresses 5-6 of 7 criteria.                                                                                                 | The risk inventory and assessment addresses 3-4 of 7 criteria.                                                                                                 | The risk inventory and assessment addresses 1-2 of 7 criteria.                                                                                                 | The risk inventory and assessment addresses none of 7 criteria.                                                                                                    |
|  | <b>I.G – Acquisition Strategy</b>            | The acquisition strategy addresses: (1) the number of contracts and (2) their relationship to each other; (3) type of contract(s), and (4) for cost reimbursement contracts, defines risk; (5) financial incentives; (6) use of competition; (7) date of acquisition plan; and (8) Section 508 compliance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | The acquisition strategy addresses 6-7 of 9 criteria.                                                                                                          | The acquisition strategy addresses 4-5 of 9 criteria.                                                                                                          | The acquisition strategy addresses 2-3 of 9 criteria.                                                                                                          | The acquisition strategy addresses 0-1 of 9 criteria.                                                                                                              |
|  | <b>I.H – Project and Funding Plan *</b>      | The project and funding plan addresses: (1) performance-based system (earned value management system); [for new projects] (2) cost; (3) schedule; and (4) planned work; [for on-going projects] (2) original baseline; (3) proposed baseline changes; (4) planned work; (5) actual work accomplished; (6) cost and schedule variance; (7) performance variance; (8) estimated cost at completion; (9) corrective actions; (10) agency head concurrence to continue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | For new projects: The project funding plan addresses 3 of 4 criteria.<br><br>For on-going projects: The project and funding plan addresses 7-9 of 10 criteria. | For new projects: The project funding plan addresses 2 of 4 criteria.<br><br>For on-going projects: The project and funding plan addresses 4-6 of 10 criteria. | For new projects: The project funding plan addresses 1 of 4 criteria.<br><br>For on-going projects: The project and funding plan addresses 1-3 of 10 criteria. | For new projects: The project funding plan addresses none of 4 criteria.<br><br>For on-going projects: The project and funding plan addresses none of 10 criteria. |
|  | <b>II.A – Enterprise Architecture *</b>      | The project: (1) is identified in the bureau EA, including the Transition Plan, or addresses plans for completing the bureau EA; (2) conforms to the bureau EA/Treasury EA/Framework (TEAF), including the EA principles; (3) identifies lines of business (LoB) of Federal Business Architecture (FBA) ; (4) describes support for FBA LoB; (5) was approved by EA Review committee; (6) requires process simplification/ reengineering; (7) requires organizational restructuring; (8) describes project LoBs; (9) describes implications for bureau business architecture; (10) identifies types of data used; (11) addresses data at Federal, State and Local level; (12) addresses legal implications of data transfer; (13) addresses OMB A-16 geospatial data requirements (if applicable); (14) addresses relationship to the application and technology layers of the EA; and (15) hardware, applications, and infrastructure requirements are included in EA Technical Reference Model (TRM). | The project meets 10-12 of the 15 enterprise architecture criteria.                                                                                            | The project meets 7-9 of the 15 enterprise architecture criteria.                                                                                              | The project meets 4-6 of the 15 enterprise architecture criteria.                                                                                              | The project meets 0-3 of the 15 enterprise architecture criteria.                                                                                                  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                  |                                                                |                                                                |                                                                |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
|  | <b>II.B – Security and Privacy *</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | The project addresses: (1) how security is provided and funded; (2) the total dollar amount allocated to security; (3) meeting GISRA, OMB and NIST requirements; (4) an up-to-date security plan; (5) an approved certification and accreditation process; (6) tests for effectiveness of management, operational, and technical security controls; (7) system user training; (8) incident handling capability; (9) contractor security procedures (if applicable); (10) privacy protection; (11) handling of personal information; (12) if a Privacy Impact Assessment was conducted; (13) support for homeland security (p. 1); (14) inclusion in GISRA review (p. 1) and (15) inclusion in Project Matrix review (p. 1). | The project meets 10-12 of the 15 security and privacy criteria. | The project meets 6-9 of the 15 security and privacy criteria. | The project meets 3-5 of the 15 security and privacy criteria. | The project meets 0-2 of the 15 security and privacy criteria. |
|  | <b>II.C – Government Paperwork Elimination Act (GPEA)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | If the project is GPEA related, (1) it is included in Treasury’s GPEA plan, and (2) the date of the bureau GPEA plan is provided. (3) Any applicable OMB PRA control numbers are provided.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The project meets 2 of the 3 GPEA criteria.                      | The project meets 1 of the 3 GPEA criteria.                    | The project meets none of the 3 GPEA criteria.                 | The project meets none of the 3 GPEA criteria.                 |
|  | <p><b>Total Completeness Score (Maximum of 44)</b></p> <p>*Note: All of the following factors (indicated with an “*”above) must score a minimum of 3 points in order for this Exhibit 300 to be referred to OMB: I.C Performance Goals and Measures, I.E Alternatives Analysis, I.F Risk Inventory and Assessment, I.H Project and Funding Plan, II.A Enterprise Architecture, and II.B Security and Privacy.</p> <p>**Note: Non-information technology assets will be scored on the same rating scale as information technology assets. Sections pertaining to Part II of Exhibit 300 which does not pertain to non-IT assets, will receive a score of 5 to allow comparative assessments of both non-IT and IT investments.</p> <p>36 – 44 = Level 5: Well documented<br/> 27 – 35 = Level 4: Few areas that need strengthening<br/> 18 – 26 = Level 3: Areas that need much work to solidify and quantify<br/> 9 – 17 = Level 2: Many areas that are not documented<br/> 0 – 8 = Level 1: Lacks documentation throughout</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                  |                                                                |                                                                |                                                                |

***Business Case Scoring Criteria***

| Score | Factor                         | 4 Points                                                                                                                                                                                       | 3 Points                                                                                                                                                                                                                             | 2 Points                                                                                | 1 points                                                                                                                               | 0 Points                                     |
|-------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
|       | <b>I.C – Performance Goals</b> | Performance goals are provided for the agency, are linked to the annual performance plan, the project discusses the agency mission and strategic goals, and performance measures are provided. | Performance goals are provided for the agency, are linked to the annual performance plan, the project discusses the agency mission and strategic goals, and performance measures are provided yet work remains to strengthen the PG. | Performance goals exist, but linkage to the agency mission and strategic goals is weak. | Performance goals are in their initial stages and are not appropriate for the type of project. Much work remains to strengthen the PG. | There is no evidence of PG for this project. |

|  |                                                  |                                                                                                                                                                        |                                                                                                                                              |                                                                                                                                                                            |                                                                                                                     |                                                                |
|--|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
|  | <b>I.D – Program Management</b>                  | Program is very strong and has resources in place to manage it.                                                                                                        | Program has some weak points in the area of PM and agency is working to strengthen PM.                                                       | Much work remains in order for PM to manage the risks for this project.                                                                                                    | There is some understanding of PM for this project but it is very rudimentary.                                      | There is no evidence of PM.                                    |
|  | <b>I.E – Alternatives Analysis</b>               | AA includes three viable alternatives, alternatives were compared consistently, and alternative chosen provides benefits and reasons.                                  | AA includes three viable alternatives, however work needs to continue in terms of alternatives chosen and the accompanying analysis.         | AA includes less than three alternatives and overall analysis needs strengthening.                                                                                         | AA includes weak AA information overall, significant weaknesses exist.                                              | There is no evidence that an AA was performed.                 |
|  | <b>I.F – Risk Management</b>                     | Risk assessment was performed for all mandatory elements and risk is managed throughout the project.                                                                   | Risk assessment addresses some of the risk, but not all that should be addressed for this project.                                           | Risk management is very weak and does not seem to address or manage most of the risk associated with the project.                                                          | Risk assessment was performed at the outset of the project, but does not seem to be part of the program management. | There is no evidence of a risk assessment plan or strategy.    |
|  | <b>I.G – Acquisition Strategy</b>                | Strong acquisition strategy (AS) that accommodates Section 508 as needed, and contracts and statements of work (SOWs) are performance based.                           | Contracts and SOWs are performance based with very few weak points that agency is strengthening.                                             | Much work remains to solidify and quantify the AS.                                                                                                                         | There is an AS, but no clear implementation strategy.                                                               | There is no evidence of an AS.                                 |
|  | <b>I.H – Performance Based Management System</b> | Agency uses the required Earned Value Management System (EVMS) or ANSI standard and project is earning the value as planned for cost, schedule, and performance goals. | Agency uses the required EVMS and it is within the variance levels for two of the three criteria, and needs work on the third issue.         | Agency uses required EVMS but the process within the agency is very new and not fully implemented, or there are weaknesses for this individual project's EVMS information. | Agency seems to re-baseline rather than report variances.                                                           | There is no evidence of a performance based management system. |
|  | <b>II.A – Enterprise Architecture</b>            | Enterprise Architecture (EA) includes this project and EA is actively used in the management of this project.                                                          | EA includes this project but there are weak points at one or more layers (business, data, application, technology) of the EA that need work. | EA does not seem to be driving this project and there is no real strategy to do so.                                                                                        | While the agency has an EA Framework, it is not implemented in the agency and does not include this project.        | There is no evidence of a comprehensive EA in the agency.      |
|  | <b>II.B - Security</b>                           | Security issues for the project and all questions are answered, detail is provided about the individual project throughout the life cycle to include                   | Security information for the project is provided but there are weaknesses in the information that need to be corrected.                      | Security information for the project is provided but fails to answer the minimum requirements.                                                                             | Security information points to an overall agency security process with little to no detail at this project level.   | There is no security information provided for this project.    |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | budgeting for security.                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |
|                             | <b>Life Cycle Cost Formulation</b>                                                                                                                                                                                                                                                                                                                                                                                                                               | Life cycle (LC) costs seem to reflect formulation that includes all of the required resources and is risk-adjusted to accommodate items addressed in the risk management (RM) plan. It appears that the project is planned well enough to come in on budget.                                                                                                                                 | LC costs seem to reflect formulation of some of the resources and some of the issues as included in the risk-adjusted strategy, but work remains in order to ensure that LC costs are accurately portrayed.                                                                                                                                                                                                                | LC costs seem to reflect formulation of the resources, but are not risk-adjusted based upon the RM plan.                                                                                                                                                                                         | LC costs seem to include some of the resource criteria and are not risk-adjusted.                                                                                       | LC costs do not seem to reflect a planned formulation process.             |
|                             | <b>Supports the President's Management Agenda Items</b>                                                                                                                                                                                                                                                                                                                                                                                                          | This is a collaborative project that includes multiple agencies, state, local, or tribal governments, uses e-business technologies and the project is governed by citizen needs. Project also supports the Federal Business Architecture (FBA) published by OMB. If project is a steady state project, then an e-Gov strategy review is underway and includes all of the necessary elements. | This is a collaborative project that includes multiple agencies, state, local, or tribal governments, uses e-business technologies, though work remains to solidify these relationships. Project also supports the FBA published by OMB, though work remains to solidify the linkage. If project is a steady state project, then an e-Gov strategy review is underway, but needs work in order to strengthen the analysis. | This is not a collaborative project, though it could be and much work remains to strengthen the ties to the President's Management Agenda (PMA). If a steady state project and no e-Gov strategy is evident, this project will have a difficult time securing continued or new funding from OMB. | This is not a collaborative project and it is difficult to ascertain support for the PMA items. If steady state project, no e-Gov strategy was performed or is planned. | There does not seem to be any link to the PMA items snf no e-Gov strategy. |
|                             | <b><i>Total Business Case (BC) Score (Maximum of 40)</i></b><br>33 – 40 = Level 5: Strong documented BC<br>25 – 32 = Level 4: Very few weak points, but still needs strengthening<br>17 – 24 = Level 3: Much work remains to solidify and quantify the BC. BC has the opportunity to either improve or degrade very quickly<br>9 – 16 = Level 2: Significant gaps in the required categories<br>0 – 8 = Level 1: Inadequate in every category of the required BC |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |
| <b>Comments</b>             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |
| <b>Completeness:</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |
| <b>Business Case:</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |
| <b>Programmatic Review:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                         |                                                                            |

## APPENDIX D – CP ASSESSMENT TOOL

| Score<br>2 – Fully<br>1 – Partially<br>0 – None | Factor                                                                                                                              | Comments |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------|
|                                                 | (Score indicates to what extent the bureau CP process satisfies the factor)                                                         |          |
|                                                 | 1 – Investment Review Board (IRB)                                                                                                   |          |
|                                                 | 1.1 – Bureau has an executive level IRB with a written charter, which meets on a regular basis                                      |          |
|                                                 | 1.2 – Uses the budget process as the driver                                                                                         |          |
|                                                 | 1.3 – Includes business line executives                                                                                             |          |
|                                                 | 1.4 – Includes CIO, CFO, PE, BO and COO                                                                                             |          |
|                                                 | 1.5 – Has a business planning council, which meets on a regular basis, and that sets strategic direction for the IRB                |          |
|                                                 | 1.6 – Bureau is using published CP procedures                                                                                       |          |
|                                                 | 2 – Planning Phase                                                                                                                  |          |
|                                                 | 2.1 – Identifies mission need or needs of organization                                                                              |          |
|                                                 | 2.2 – Conducts mission analysis and develops Mission Needs Statement or general needs statement                                     |          |
|                                                 | 2.3 – Links Mission Needs Statement to bureau’s and/or Treasury’s strategic plan                                                    |          |
|                                                 | 2.4 – Develops proposed solution concept (objectives, evaluation criteria, concept alternatives, and alternative analysis approach) |          |
|                                                 | 2.5 – Develops preliminary business case with budget estimates and cost benefit analysis                                            |          |
|                                                 | 3 – Selecting Phase                                                                                                                 |          |
|                                                 | 3.1 – Has a process in place for screening new initiatives                                                                          |          |
|                                                 | 3.2 – Establishes time guidelines and assigns responsibility for scoring and selecting investments                                  |          |
|                                                 | 3.3 – Clearly defines data required for initial project submission                                                                  |          |
|                                                 | 3.4 – Costs, benefits and risks of planned investments                                                                              |          |
|                                                 | 3.4.1 – Has developed and published standard benefit, cost and risk criteria                                                        |          |
|                                                 | 3.4.2 – Requires that an analysis, based on standardized criteria, is submitted for each new initiative                             |          |
|                                                 | 3.4.3 – Requires that all relevant project costs are included                                                                       |          |
|                                                 | 3.4.4 – Uses structured benefits and cost analysis studies                                                                          |          |
|                                                 | 3.4.5 – Reports full life-cycle costs for on-going assets                                                                           |          |
|                                                 | 3.4.6 – Reports phased life-cycle costs for projects/assets                                                                         |          |
|                                                 | 3.4.7 – Requires risk assessments addressing technical, strategic, and security issues                                              |          |
|                                                 | 3.4.8 – Uses return on investment (ROI) techniques                                                                                  |          |

|  |                                                                                                                                                                                                                                                              |  |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | 3.5 – Requires the bureau chief enterprise architect to certify a new project                                                                                                                                                                                |  |
|  | 3.6 – Has an established methodology to score and develop priorities for non-IT investments, ensuring that selected projects support bureau strategic and performance plans, and enable business effectiveness, efficiency, and productivity gains           |  |
|  | 3.7 – Has defined thresholds for capital program planning                                                                                                                                                                                                    |  |
|  | 3.8 – Includes non-IT infrastructure in the investment portfolio                                                                                                                                                                                             |  |
|  | 3. – Has a structured and re-occurring method for selecting investments                                                                                                                                                                                      |  |
|  | 3.12 – Uses a standard business case reporting format, and manages CP data electronically                                                                                                                                                                    |  |
|  | 4 – Managing Phase                                                                                                                                                                                                                                           |  |
|  | 4.1 – Has oversight mechanism ensuring consistent monitoring of non-IT initiatives                                                                                                                                                                           |  |
|  | 4.2 – Project information collected is sufficient to make a cancel/continue/accelerate decision                                                                                                                                                              |  |
|  | 4.3 – Uses an earned value management system (EVMS)                                                                                                                                                                                                          |  |
|  | 5 – Evaluating Phase                                                                                                                                                                                                                                         |  |
|  | 5.1 – Compares achieved results against investment plans generated during the control phase                                                                                                                                                                  |  |
|  | 5.2 – Conducts post reviews                                                                                                                                                                                                                                  |  |
|  | 5.3 – Includes customers in the investment evaluation process                                                                                                                                                                                                |  |
|  | 5.4 – Evaluates projects against each other within the portfolio                                                                                                                                                                                             |  |
|  | 5.5 – Conducts periodic reviews, (ensure positive ROI; and re-assess an investment’s business case, technical compliance)                                                                                                                                    |  |
|  | 5.6 – Applies lessons learned to applicable areas of the CP process                                                                                                                                                                                          |  |
|  | 6 – Project Management                                                                                                                                                                                                                                       |  |
|  | 6.1 – Has a systematic bureau project management process                                                                                                                                                                                                     |  |
|  | 6.2 – Has strong qualified project managers                                                                                                                                                                                                                  |  |
|  | 6.3 – Uses control data from the business cases and life cycle documentation to monitor project performance                                                                                                                                                  |  |
|  | 6.4 – Each project has executive buy-in and buy-in is periodically demonstrated                                                                                                                                                                              |  |
|  | 6.5 – All aspects of the business case are monitored                                                                                                                                                                                                         |  |
|  | 7 – Portfolio Management                                                                                                                                                                                                                                     |  |
|  | 7.1 – Defines goals and objectives; clearly articulates what the portfolio is supposed to achieve                                                                                                                                                            |  |
|  | 7.2 – Understands, accepts, and makes tradeoffs; determines how much to invest in one thing as opposed to something else                                                                                                                                     |  |
|  | 7.3 – Identifies, eliminates, minimizes, and diversifies risks; selects a mix of investments that will avoid undue risk, will not exceed acceptable risk tolerance levels, and will spread risks across projects and initiatives to minimize adverse impacts |  |
|  | 7.4 – Monitors portfolio performance; understands the progress that the portfolio is making toward the achievement of the goals and objectives                                                                                                               |  |
|  | 7.5 – Achieves a desired objective; has the confidence that the desired outcome will likely be achieved given the aggregate of investments that are made                                                                                                     |  |
|  | 8 – Requires sufficient project information to allow compilation of a capital asset plan                                                                                                                                                                     |  |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                  | (OMB Exhibit 300)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|                  | 9 – Uses the Information Technology Investment Portfolio System (I-TIPS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
|                  | 10 – Bureau CP process is integrated with the budget process and has been used for at least one full budget cycle                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|                  | <p><b>Total Score (Maximum of 112)</b></p> <p>91 – 108 = Level 5: Integrated planning and investment management processes are in place to focus on strategic outcomes</p> <p>68 – 90 = Level 4: Focus is on examining business outcomes of investments and lessons learned, including post-implementation reviews and feedback</p> <p>45 – 67 = Level 3: The investment portfolio is completed through portfolio-oriented management, including investment analysis and portfolio performance evaluation and improvement; i.e. “planning &amp; selecting”, “managing,” &amp; “evaluating” phases are used</p> <p>22 – 44 = Level 2: Investment management has been built with processes in place such as investment review board, proposal selection, and project oversight; i.e. "plan ,select” “manage" phases installed</p> <p>0 – 21 = Level 1: Investment management awareness created, but processes are ad hoc and unstructured</p> |  |
| <b>Comments:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |

## APPENDIX E – REFERENCES AND HELPFUL SOURCES

- Capital Programming Guide, Office of Management and Budget, July 1997 <http://www.whitehouse.gov/omb/circulars/a11/cpgtoc.html>
- Circular No. A-11, Preparing and Submitting Budget Estimates, Office of Management and Budget, July 2001 <http://www.whitehouse.gov/omb/circulars/a11/01toc.html>
- Circular No. A-131, Value Engineering, Office of Management and Budget, May 1993, <http://www.whitehouse.gov/omb/circulars/a131/a1311.html>
- Circular No. A-109, Major Systems Acquisition, Office of Management and Budget, April 1992, (hard copy only)
- Circular A-94, Discount Rates to be Used in Evaluating Time-Distributed Costs and Benefits, Office of Management and Budget, 1992 <http://www.whitehouse.gov/omb/circulars/a094/a094.html>
- General Accounting Office, Executive Guide - Leading Practices In Capital Decision Making, AIMD-99-32. [www.gao.gov/special.pubs/ai99032.pdf](http://www.gao.gov/special.pubs/ai99032.pdf)
- President's Management Agenda <http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf>
- Information Technology Investment Portfolio System Users Guide <http://tips01.cio.treas.gov/cgi/main.cfm>



## APPENDIX F – EXHIBIT 300

### Exhibit 300: Part I: Capital Asset Plan and Business Case (All Assets)

Date of this Submission

Agency

Bureau

Account Title

Account Identification

Code

Program Activity

Name of Project

Unique Project Identifier: UPI should be created the same for all projects.  
(IT only)(See section 53)

Project Initiation Date

Project Planned Completion Date

This Project is: Initial Concept \_\_\_\_\_ Planning \_\_\_\_\_ Full Acquisition \_\_\_\_\_ Steady State \_\_\_\_\_  
Mixed Life Cycle \_\_\_\_\_

|                                   |               |       |
|-----------------------------------|---------------|-------|
| Project/useful segment is funded: | Incrementally | Fully |
|                                   | _____         | _____ |

|                                                                  |       |       |
|------------------------------------------------------------------|-------|-------|
| Was this project approved by OMB for previous Year Budget Cycle? | Yes   | No    |
|                                                                  | _____ | _____ |

|                                                                                           |       |       |
|-------------------------------------------------------------------------------------------|-------|-------|
| Did the Executive/Investment Review Committee approve funding for this project this year? | Yes   | No    |
|                                                                                           | _____ | _____ |

|                                   |       |       |
|-----------------------------------|-------|-------|
| Did the CFO review the cost goal? | Yes   | No    |
|                                   | _____ | _____ |

|                                                                |       |       |
|----------------------------------------------------------------|-------|-------|
| Did the Procurement Executive review the acquisition strategy? | Yes   | No    |
|                                                                | _____ | _____ |

|                                                                        |       |       |
|------------------------------------------------------------------------|-------|-------|
| Did the Project Manager identified in Section 1.D review this exhibit? | Yes   | No    |
|                                                                        | _____ | _____ |

|                                                                                                            |       |       |
|------------------------------------------------------------------------------------------------------------|-------|-------|
| Is this investment included in your agency's annual performance plan or multiple agency annual performance | Yes   | No    |
|                                                                                                            | _____ | _____ |

Indicate by corresponding number which homeland security mission area(s) this project supports?

1 – Intelligence and Warning;

2 – Border and Transportation Security;

3 – Defending Against Catastrophic Threats;

4 – Protecting Critical Infrastructure and Key Assets;

5 – Emergency Preparedness and Response; or

6 – Other.

|                                                                         |       |       |
|-------------------------------------------------------------------------|-------|-------|
| Is this project information technology? (See Section 53 for definition) | Yes   | No    |
|                                                                         | _____ | _____ |

For information technology projects only:

|                                                                                                                                                                                                                                  |     |    |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-------|
| a. Is this Project a Financial Management System? (see section 53.2 for a definition)                                                                                                                                            | Yes | No | ___   |
| If so, does this project address a FFMIA compliance area?                                                                                                                                                                        | Yes | No | ___   |
| If yes, which compliance area?                                                                                                                                                                                                   |     |    | _____ |
| b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)?                                                                                     | Yes | No | ___   |
| If so, is it included in your GPEA plan (and does not yet provide an electronic option)?                                                                                                                                         | Yes | No | ___   |
| Does the project already provide an electronic option?                                                                                                                                                                           | Yes | No | ___   |
| c. Was a privacy impact assessment performed for this project?                                                                                                                                                                   | Yes | No | ___   |
| d. Was this project reviewed as part of the FY 2003 Federal Information Security Management Act review process?                                                                                                                  | Yes | No | ___   |
| d.1 If yes, were any weaknesses found?                                                                                                                                                                                           | Yes | No | ___   |
| d.2. Have the weaknesses been incorporated into the agency's corrective action plans?                                                                                                                                            | Yes | No | ___   |
| e. Has this project been identified as a national critical operation or asset by a Project Matrix review or other agency determination?                                                                                          | Yes | No | ___   |
| e.1 If no, is this an agency mission critical or essential service, system, operation, or asset (such as those documented in the agency's COOP Plan), other than those identified as above as national critical infrastructures? | Yes | No | ___   |
| f. Was this project included in a Performance Assessment Rating Tool (PART) Review?                                                                                                                                              | Yes | No | ___   |
|                                                                                                                                                                                                                                  | Yes | No | ___   |
| PART Review?                                                                                                                                                                                                                     |     |    | ___   |

| SUMMARY OF SPENDING FOR PROJECT STAGES                                                               |                        |            |            |            |              |              |              |                     |       |
|------------------------------------------------------------------------------------------------------|------------------------|------------|------------|------------|--------------|--------------|--------------|---------------------|-------|
| (In Millions)                                                                                        |                        |            |            |            |              |              |              |                     |       |
| (Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions) |                        |            |            |            |              |              |              |                     |       |
|                                                                                                      | PY-1<br>and<br>Earlier | PY<br>2003 | CY<br>2004 | BY<br>2005 | BY+1<br>2006 | BY+2<br>2007 | BY+3<br>2008 | BY+4<br>&<br>Beyond | Total |
| Planning:                                                                                            |                        |            |            |            |              |              |              |                     |       |
| Budgetary                                                                                            |                        |            |            |            |              |              |              |                     |       |
| Resources                                                                                            |                        |            |            |            |              |              |              |                     |       |
| Outlays                                                                                              |                        |            |            |            |              |              |              |                     |       |
| Acquisition :                                                                                        |                        |            |            |            |              |              |              |                     |       |

Budgetary  
 Resources  
 Outlays  
 Total, sum of stages:  
 Budgetary  
 Resources  
 Outlays  
 Maintenance:  
 Budgetary  
 Resources  
 Outlays  
 Total, All Stages:  
 Budgetary  
 Resources  
 Outlays  
 Government FTE  
 Costs

Note: Government FTE Costs shall include the salaries plus fringe benefits of 32.85% of the government personnel considered to be direct and indirect labor in support of this project. This includes the project management IPT and any other government effort (e.g., programming effort for part of the overall project development effort) that contributes to the success of the project.

## **I. A. Project Description**

1. Provide a brief description of this project and its status through your capital planning and investment control (CPIC) or capital programming "control" review for the current cycle.
2. What assumptions are made about this project and why?
3. Provide any other supporting information derived from research, interviews, and other documentation.

## **I.B. Justification (All Assets)**

In order for IT investments to successfully address support of the President's Management Agenda and justification of the project, the investment should be collaborative and include multiple agencies, state, local, or tribal governments, use e-business technologies and be governed by citizen needs. If the investment is a steady state investment, then an E-Gov strategy review is underway and includes all of the necessary elements. If appropriate, this investment is fully aligned with one or more of the President's E-Gov initiatives.

1. How does this investment support your agency's mission and strategic goals and objectives?
2. How does it support the strategic goals from the President's Management Agenda?
3. Are there any alternative sources in the public or private sectors that could perform this function? 4. If so, explain why your agency did not select one of these alternatives.
5. Who are the customers for this project?
6. Who are the stakeholders of this project?
7. If this is a multi-agency initiative, identify the agencies and organizations affected by this initiative.
- 7.a. If this is a multi-agency initiative, discuss the partnering strategies you are implementing with the participating agencies and organizations.

8. How will this investment reduce costs or improve efficiencies?
9. List all other assets that interface with this asset \_\_\_\_\_. Have these assets been reengineered as part of this project? Yes \_\_\_, No \_\_\_.

### **I.C. Performance Goals and Measures (All Assets)**

In order to successfully address this area of the business case, performance goals must be provided for the agency, linked to the annual performance plan, and the investment discusses the agency mission and strategic goals, and performance measures are provided. These goals need to map to the gap in the Agency's strategic goals and objectives that this project is designed to fill. They are the internal and external performance benefits this project is expected to deliver to the agency (e.g., improve efficiency by 60%, increase citizen participation by 300% a year to achieve an overall citizen participation rate of 75% by FY 2\_\_\_\_, etc.). The goals must be clearly measurable project outcomes, and if applicable, project outputs. They do not include completion date of the module or project, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for projects through 2004. All IT investments where reporting includes 2005 and beyond must use table 2.

Table 1

| Fiscal Year | Strategic Goal(s) Supported | Existing Baseline | Planned Performance Improvement Goal | Actual Performance Improvement Results | Planned Performance Metric | Actual Performance Metric Results |
|-------------|-----------------------------|-------------------|--------------------------------------|----------------------------------------|----------------------------|-----------------------------------|
| 2003        |                             |                   |                                      |                                        |                            |                                   |
| 2003        |                             |                   |                                      |                                        |                            |                                   |
| 2004        |                             |                   |                                      |                                        |                            |                                   |
| 2004        |                             |                   |                                      |                                        |                            |                                   |

All IT investments must use Table 2 below for 2005 and beyond and are required to use the FEA Performance Reference Model. PRM Version 1.0, available at [www.feapmo.gov](http://www.feapmo.gov), includes detailed guidance about how to incorporate PRM Indicators into the performance goals and measures table below. Please use the table below and the PRM to identify the performance information that pertains to the major IT Investment. Ensure there is a complete tie-in to the strategic goals and objectives described in I.B.1.

Table 2

| Fiscal Year | Measurement Area | Measurement Category | Measurement Indicator | Baseline | Planned Improvements to the Baseline | Actual Results |
|-------------|------------------|----------------------|-----------------------|----------|--------------------------------------|----------------|
| 2005        |                  |                      |                       |          |                                      |                |
| 2005        |                  |                      |                       |          |                                      |                |
| 2005        |                  |                      |                       |          |                                      |                |
| 2005        |                  |                      |                       |          |                                      |                |

|      |  |  |  |  |  |  |
|------|--|--|--|--|--|--|
| 2006 |  |  |  |  |  |  |
| 2006 |  |  |  |  |  |  |
| 2006 |  |  |  |  |  |  |
| 2006 |  |  |  |  |  |  |

## I.D. Project Management [All Assets]

The OMB Circular A-11, Part 7, Capital Programming Guide, and the OPM Project Management Guidance “Interpretive Guidance for Project Manager Positions, discuss project management structures, responsibilities, and qualifications that contribute to successful achievement of cost, schedule, and performance goals.

1. Is there a project manager assigned to the project? If so, what is his/her name? Yes \_\_\_\_\_ No \_\_\_\_\_

1.A. Identify the members, roles, qualifications, and contact information of the in-house and contract project managers for this project.

2. Is there a contracting officer assigned to the project? If so, what is his/her name?

3. Is there an Integrated Project Team?

Yes \_\_\_\_\_ No \_\_\_\_\_

3.A. If so, list the skill set represented.

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Is there a sponsor/owner for this project?

Yes \_\_\_\_\_ No \_\_\_\_\_

4.A. If so, identify the sponsor/process owner by name and title and provide contact information.

|  |
|--|
|  |
|--|

## I.E. Alternatives Analysis [All Assets]

In order to successfully address this area of the business case, you must include three viable alternatives that were compared consistently, and alternative chosen provides benefits and reasons. Agency must identify all viable alternatives and then select and report details on the top three viable alternatives. The Clinger Cohen Act and OMB Circular A-94, include minimum criteria to be applied in considering whether to undertake a particular investment, including criteria related to the quantitatively expressed projected net, risk-adjusted return on investment and specific quantitative and qualitative criteria for comparing and prioritizing alternative investments.

1. Describe the alternative solutions you considered for accomplishing the agency strategic goals or for closing the performance gap that this project was expected to address. Describe the results of the feasibility/performance/benefits analysis. Provide comparisons of the returns (financial and other) for each alternative.

1.A. Discuss the market research that was done to identify innovative solutions for this project (e.g., used an RFI to obtain 4 different solutions to evaluate, held open meetings with contractors to discuss project scope, etc.). Also describe what data was used to make estimates: past or current contract prices for similar work, contractor provided estimates from RFIs or meetings, general market

publications, etc.

| Alternative     | Description |
|-----------------|-------------|
| Alternative 1 – |             |
| Alternative 2 – |             |
| Alternative 3 – |             |

2. Summarize the results of your life-cycle cost analysis performed for each investment and the underlying assumptions.

| Cost Elements | Alternative 1 | Alternative 2 | Alternative 3 |
|---------------|---------------|---------------|---------------|
| Element 1     |               |               |               |
| Element 2     |               |               |               |
| Element 3     |               |               |               |
| Element 4     |               |               |               |
| Element 5     |               |               |               |
| Total         |               |               |               |

3. Which alternative was chosen and why? Define the Return on Investment (ROI).

3. A. Are there any quantitative benefits that will be achieved through this investment (e.g., systems savings, cost avoidance, stakeholder benefits, etc)?

3. B. For alternative selected, provide financial summary, including Net Present Value by Year and Payback Period Calculations:

| YEAR = | FY | FY | FY | FY | FY | FY | FY | FY | FY |
|--------|----|----|----|----|----|----|----|----|----|
|        |    |    |    |    |    |    |    |    |    |
|        |    |    |    |    |    |    |    |    |    |
|        |    |    |    |    |    |    |    |    |    |
|        |    |    |    |    |    |    |    |    |    |
|        |    |    |    |    |    |    |    |    |    |

4. What is the date of your cost benefit analysis?

## I. F. Risk Inventory and Assessment (All Assets)

In order to successfully address this issue on the business case and capital asset plan, you must have performed a Risk Assessment at initial concept, included the mandatory risk elements defined below and demonstrate active management of the risk throughout the life-cycle of the investment.

For all investments, both IT and non-IT, you must discuss each of the following risks and discuss your plans, with milestones and completion dates, to eliminate, mitigate, or manage the risk. If there is no risk to the investment achieving its goals from a risk category, say this. If there are other risks identified, include them. Risk assessments should be performed at the initial concept stage and then monitored and controlled throughout the life-cycle of the investment, and should include risk information from all stakeholders. Risk assessments for all investments must include 1) schedule, 2) initial costs, 3) life-cycle costs, 4) technical obsolescence, 5) feasibility, 6) reliability of systems, 7) dependencies and interoperability between this investment and others, 8) surety (asset

protection) considerations, 9) risk of creating a monopoly for future procurements, 10) capability of agency to manage the investment, and 11) overall risk of project failure.

In addition, for IT investments, risk must be discussed in the following categories 12) Organizational and Change Management, 13) Business, 14) Data/Info, 15) Technology, 16) Strategic, 17) Security, 18) Privacy, and 19) Project Resources. For security risks, identify under the description column the level of risk as high, medium, or basic. What aspect of security determines the level of risk, i.e., the need for confidentiality of information, availability of information or the system, reliability of the information or system?

| Date Identified | Area of Risk | Description | Probability of Occurrence | Strategy for Mitigation | Current Status as of the date of this exhibit |
|-----------------|--------------|-------------|---------------------------|-------------------------|-----------------------------------------------|
|                 |              |             |                           |                         |                                               |
|                 |              |             |                           |                         |                                               |
|                 |              |             |                           |                         |                                               |
|                 |              |             |                           |                         |                                               |
|                 |              |             |                           |                         |                                               |
|                 |              |             |                           |                         |                                               |

1. What is the date of your risk management plan?

## I.G. Acquisition Strategy

In order to adequately address this area of the business case and capital asset plan you must employ a strong acquisition strategy that mitigates risk to the federal government, accommodate Section 508 as needed, and use performance based contracts and (SOWs). If you are not using performance based contracts and statements of work, your acquisition strategy should clearly define the risks that prompted use of other than performance based contracts and SOWs. Finally, your implementation of the Acquisition Strategy must be clearly defined.

1. Will you use a single contract or several contracts to accomplish this project?
  - 1.A. What is the type of contract/task order if a single contract is used?
  - 1B.If multiple contract/task orders will be used discuss the type, how they relate to each other to reach the project outcomes, and how much each contributes to the achievement of the project cost, schedule and performance goals. Also discuss the contract/task order solicitation or contract provisions that allow the contractor to provide innovative, transformational solutions.
2. For other than firm-fixed price, performance-based contracts, define the risk not sufficiently mitigated in the risk mitigation plan, for that contract/task order, that requires the Government to assume the risk of contract achievement of cost, schedule and performance goals. Explain the amount of risk the government will assume.
3. Will you use financial incentives to motivate contractor performance (e.g. incentive fee, award fee, etc.)?
4. Discuss the competition process used for each contract/task order?
5. Will you use commercially available or COTS products for this investment?
  - 5.A If not, to what extent will these items be modified to meet the unique requirements of this investment?
  - 5.B What prevented the use of COTS without modification?
6. What is the date of your acquisition plan?

7. How will you ensure Section 508 compliance?

8. Acquisition Costs:

8.A. For budget year, what percentage of the total investment is for hardware acquisition?

8.B. For budget year, what percentage of the total investment is for software acquisition?

8.C. For budget year, what percentage of the total investment is for services acquisition?

## I.H. Project and Funding Plan

In order to successfully address this section of the business case, you must demonstrate use of an Earned Value Management System (EVMS) that meets ANSI/EIA Standard 748, for those parts of the investment that require development efforts (e.g., prototypes and testing in the planning phase and development efforts in the acquisition phase) and show how close the investment is to meeting the approved cost, schedule and performance goals. Information on EVMS is available at <http://www.acq.osd.mil/pm>. For those projects in the operations/steady state phase, you must perform an operational analysis as defined in the Capital Programming Guide to demonstrate how close the investment is to achieving the expected cost, schedule and performance goals for this phase. Program status information in this section must include the both the contractor's part of the projects overall costs and milestone requirements as well as the government's costs and milestone requirements to successfully complete the project phase, segment or module being reported.

I.H.1. Description of performance-based management system (PBMS):

Name the software program that you are using, or will use, to analyze contractor provided EVMS information. Describe the process you used to verify that the contractor's project management system follows the ANSI/EIA Standard 748-A. If the project is operational (steady state), define the operational analysis system that will be used. If this is a mixed life-cycle project with both operational and development/modernization/enhancement (DME) system improvement aspects, EVMS must be used on the system improvement aspects of the contract and operational analysis on the operations aspects. Using information consistent with the work breakdown structure (WBS), provide the information requested in all parts of this section.

I.H.2. Original baseline (OMB-approved at project outset):

What are the cost and schedule goals for this phase or segment/module of the project (e.g., what are the major project milestones or events; when will each occur; and what is the estimated cost to accomplish each one)? Also identify the funding agency for each milestone or event if this is a multi-agency project. If this is a multi-agency project or one of the President's E-Gov initiatives, use the detailed project plan with milestones on the critical path, to identify agency funding for each module or milestone. (This baseline must be included in all subsequent reports, even when there are OMB-approved baseline changes shown in I.H.3).

| <i>Cost and Schedule Goals: Original Baseline for a Phase/Segment/Module of Project</i> |            |          |                    |              |                |
|-----------------------------------------------------------------------------------------|------------|----------|--------------------|--------------|----------------|
| Description of Milestone                                                                | Schedule   |          |                    | Planned Cost | Funding Agency |
|                                                                                         | Start Date | End Date | Duration (in days) |              |                |
| 1.                                                                                      |            |          |                    |              |                |
| 2.                                                                                      |            |          |                    |              |                |
| 3.                                                                                      |            |          |                    |              |                |
|                                                                                         |            |          |                    |              |                |
|                                                                                         |            |          |                    |              |                |



|                  |                                    |
|------------------|------------------------------------|
| Completion date: | Total cost estimate at completion: |
|------------------|------------------------------------|

I.H.3. Proposed baseline/current baseline (applicable *only* if OMB-approved the changes):

Identify in this section a proposed change to the original or current baseline or an OMB-approved baseline change. What are the new cost and schedule goals for the project (e.g., what are the major project milestones or events; when will each occur; and what is the estimated cost to accomplish each one)? Also identify the funding agency for each milestone or event if this is a multi-agency project. If this is a new project in the FY 2005 budget year, this section will be blank for your initial submission.

| <i>Cost and Schedule Goals: Proposed _____ or Current (OMB-Approved) _____ Baseline for a Phase/Segment/Module of Project</i> |            |          |                    |                                    |                |
|-------------------------------------------------------------------------------------------------------------------------------|------------|----------|--------------------|------------------------------------|----------------|
| Description of Milestone                                                                                                      | Schedule   |          |                    | Planned Cost                       | Funding Agency |
|                                                                                                                               | Start Date | End Date | Duration (in days) |                                    |                |
| 1.                                                                                                                            |            |          |                    |                                    |                |
| 2.                                                                                                                            |            |          |                    |                                    |                |
| 3.                                                                                                                            |            |          |                    |                                    |                |
|                                                                                                                               |            |          |                    |                                    |                |
|                                                                                                                               |            |          |                    |                                    |                |
| Completion date:                                                                                                              |            |          |                    | Total cost estimate at completion: |                |

#### **I.H.4 Actual performance and variance from OMB-approved baseline (original or current):**

A. This section is always filled in to reflect current status of the project. It compares the OMB approved baseline and actual results for this phase, segment, or module of the project. Show for each major project milestones or events you planned (scheduled) to accomplish and the cost and what work was actually done and the cost. If this is a new project in the FY 2005 budget year, this section will be blank for your initial submission. OMB may ask for latest information during the budget review process.

| Comparison of OMB-Approved Baseline and Actual Outcome for Phase/Segment/Module of a Project |                       |          |                    |              |                |                            |          |                  |             |
|----------------------------------------------------------------------------------------------|-----------------------|----------|--------------------|--------------|----------------|----------------------------|----------|------------------|-------------|
| Description of Milestone                                                                     | OMB-Approved Baseline |          |                    |              |                | Actual Outcome             |          |                  |             |
|                                                                                              | Schedule              |          |                    | Planned Cost | Funding Agency | Schedule                   |          | Percent Complete | Actual Cost |
|                                                                                              | Start Date            | End Date | Duration (in days) |              |                | Start Date                 | End Date |                  |             |
| 1.                                                                                           |                       |          |                    |              |                |                            |          |                  |             |
| 2.                                                                                           |                       |          |                    |              |                |                            |          |                  |             |
| 3.                                                                                           |                       |          |                    |              |                |                            |          |                  |             |
|                                                                                              |                       |          |                    |              |                |                            |          |                  |             |
|                                                                                              |                       |          |                    |              |                |                            |          |                  |             |
| Completion date: OMB-approved baseline:                                                      |                       |          |                    |              |                | Estimated completion date: |          |                  |             |
| Total cost: OMB-approved baseline:                                                           |                       |          |                    |              |                | Estimate at completion:    |          |                  |             |

B. Provide the following project summary information from your EVMS software: As of : (date)

- B.1. Show the budgeted (planned) cost of work scheduled (BCWS): \$ \_\_\_\_\_
- B.2. Show budgeted (planned) cost of work performed (BCWP): \$ \_\_\_\_\_
- B.3. Show the actual cost of work performed (ACWP): \$ \_\_\_\_\_

B.4. Provide a cost curve graph plotting BCWS, BCWP and ACWP on a monthly basis from inception of this phase or segment/module through the latest report. In addition, plot the ACWP curve to the estimated cost at completion (EAC) value, and provide the following EVMS variance analysis.

| PROJECT SUMMARY (CUMULATIVE)                                                                                                                                          |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                                                                                                                                                                       | Value |
| Cost Variance = (BCWP-ACWP) =                                                                                                                                         |       |
| Cost Variance % = (CV/BCWP) x 100% =                                                                                                                                  |       |
| Cost Performance Index (CPI) = (BCWP/ACWP) =                                                                                                                          |       |
| Schedule Variance = (BCWP-BCWS) =                                                                                                                                     |       |
| Schedule Variance % = (SV/BCWS) x 100% =                                                                                                                              |       |
| Schedule Performance Index (SPI) = (BCWP/BCWS) =                                                                                                                      |       |
| Two independent Estimates at Completion (EAC) = ACWPcum = (Performance Factor (PF) X (BAC minus BCWPcum)), where $PF_1 = 1/CPI$ , and $PF_2 = 1/(CPI \times SPI)$ . = |       |
| Variance at Completion (VAC) = (BAC minus EAC) for both EACs above =                                                                                                  |       |
| Variance at Completion % = (VAC/BAC) x 100% for both EACs above =                                                                                                     |       |
| Estimated Cost to Complete (ETC)=                                                                                                                                     |       |
| Expected Completion Date =                                                                                                                                            |       |

Definitions for Earned Value Management System:

ACWP – Actual Cost for Work Performed – What you paid.

BAC – Budget At Completion – The baseline (planned) budget for the project.

BCWP – Budgeted Cost for Work Performed – The earned value.

BCWS – Budgeted Cost for Work Scheduled – The planned costs.

CPI – Cost Performance Index – The ratio of the budgeted to actual cost of work performed.

CV – Cost Variance – The difference between planned and actual cost of work performed.

EAC – Estimate At Completion – The latest estimated cost at completion.

ETC – Estimate to Completion – Funds needed to complete the project.

PF – Performance Factor – The cost to earn a dollar of value, or ACWP/BCWP, or  $1/CPI$ .

SPI – Schedule Performance Index – The percent of the project that has been completed.

SV – Schedule Variance – The variance between the actual and planned schedules.

VAC – Variance at Completion – The variance between the baseline and actual budget at completion.

- C. If cost and/or schedule variance are a negative 10 percent or more at the time of this report or EAC is projected to be 10 percent or more, explain the reason(s) for the variance(s).
- D. Provide performance variance. Explain whether, based on work accomplished to date, you still expect to achieve your performance goals. If not, explain the reasons for the variance.
- E. For projects using EVMS, discuss the contractor, government, and at least the two EAC index formulas in I.H.4.B, current estimates at completion. Explain the differences and the IPT's selected EAC for budgeting purposes. This paragraph is not applicable to operations/steady state projects.

- F. Discuss the corrective actions that will be taken to correct the variances, the risk associated with the actions, and how close the planned actions will bring the project to the original baseline. Define proposed baseline changes, if necessary.
- G. If the project cost, schedule or performance variances are 10% or greater, has the Agency Head concurred in the need to continue the program at the new baseline?  
Yes \_\_\_\_\_ No \_\_\_\_\_

